



Governor's Office of
Economic Development
Centers of Excellence

Centers of Excellence Solicitation 2009-2010
Frequently Asked Questions

"The deadline period for matching funds shown in the Solicitation Guidelines (page 10, paragraph 3) was from the previous year and was incorrect. The correct period for valid matching funds is April 1, 2009 to June 30, 2010"

Question 2: (dated 6/8/09)

"We have a convertible note from [a venture fund] and are wondering if we are eligible to apply using the convertible note as matching funds. The note can be converted to equity or be a loan under the terms of our agreement....Please let us know if we are eligible. "

Answer 2:

First, you must make sure that any funds you intend to submit as matching funds were received by the company during the eligible match period.

Second, you may accept the convertible note as investment and it will not hurt your eligibility, but it may NOT count as matching funds.

Specifically from page 6 of the solicitation, "Matching funds may NOT be a loan, but must be either equity or revenue (that is, there can be no repayment clause)."

The clause relative to institutional investors is also very specific - each institutional fund which accepts funds from a Utah college or university must submit detailed information about their fund to the COE Director for review. A determination will be made for each fund about whether those funds are eligible. This process has not yet commenced, and so the Director cannot comment on ANY institutional investor and whether or not they will be eligible as matching funds at this time.

Question 3: (dated 6/8/09)

I am an entrepreneur who has been developing a technology, working together with a university engineering department by sponsoring some research. We are now launching a business that takes this technology to market.

We have not licensed the technology from the University, we paid the University to help us develop it, and now we are commercializing it. Where we are not licensing the technology, but have done all the patent, etc. ourselves, can we still qualify, or is there another economic development mechanism for this?



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ANSWER 3:

The statutory framework for the COE program is very specific - these funds are to help technologies which are developed at the college or university (with funds which are received in a variety of ways), and then are LICENSED to a company. If you have a License for a technology from a Utah college or university you are eligible. If you have done sponsored research, but you own the technology, and do not have a license, then you are not eligible. At this time there are no grant mechanisms for privately developed technologies

QUESTION 4: This proposing team asked for guidance about a specific spending model - essentially they wanted to know if direction the COE funds to a marketing-related campaign that would drive demand for their product would be well received during the review process, or if they should list the funds as going to specific jobs.

ANSWER 4:

It isn't appropriate for the COE Director to offer individualized counsel to one proposing team over another on specific strategies. In addition, because our Centers of Excellence Advisory Council consists of approximately 30+ senior executives in the technology industries associated with Utah, the Director does not know in advance what will sway them.

However, the Council is chartered to put funding to work in teams that can create great jobs in Utah - jobs that pay well and are persistent in the economy. No matter how you propose to spend the money, the task of every proposing Licensee is to convince the Council that a) the team knows what it is doing and knows how to start and grow a company b) that the market is meaningful in size and is receptive to the proposed product/solution and c) that the business will be a good one, that is, it will be profitable enough and demanding enough that the jobs created will require a range of skills and will pay well. Anything that is included in the business plan as driving demand will have to be explained and justified, whether or not COE funds are listed specifically as being directed for the program.

QUESTION 5:

We have a 2008-2009 COE grant and submitted all the documentation. Do you want us to resubmit the same documentation again that would be an exact repeat of last year's materials such as the university TTO letter, university license agreement, notarized letter for permission for you to examine our tax records?

ANSWER 5:

YES, you will need to resubmit all the documentation. This is treated a brand new proposal and not a supplement to last year's. Another reason is that it will be easier for the COE Reviewers to have all your documents in one place when they are reviewing your proposal.



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The university licensing agreement is required when you submit your invoice if you are awarded the grant and the notarized tax letter will also be required if you are awarded the grant because the date on this document starts the year the funds are granted.

Question 6

If we have items, letters of support or other information from last year's proposal, do we need to duplicate it in this year's proposal?

Answer 6

Our reviewers receive THIS YEAR's proposal for the 2009-10 review process. They do NOT receive any previous proposals or information. If you want to provide information for this year's review, it must be included in this year's proposal. If you have solicited letters of support from customers and you do not wish to ask again, it is at your discretion to include letters from previous years, however, this may raise questions with the reviewers about why updated letters were not available. In a very competitive year, each team must determine the level of investment they are willing to make in creating a competitive proposal.

Question 7

Is there a preferred font, size, and spacing for the proposal?

Answer 7

We do not have any policies regarding font, spacing etc. but 12 pt would best and single spacing is acceptable.

Question 8

Is there a standard form for the release to view tax records?

Answer 8

The tax authorization will be needed only if an applicant is awarded the COE Grant. At the time it is required, we will email the form to the awardees for them to complete and return to us.

Question 9

Since we are a new licensee, the solicitation states that we can receive a maximum of \$100,000 from COE or this calendar year. Does this \$100,000 have to include the university request? In other words, Can we do \$100,000 with 1:1 match by the company and \$25,000 with 2:1 match from the university for a total of \$125,000 from COE?

Answer 9

No, you will not be granted more than \$100,000, and any grant back to the university will have to come out of that amount.



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Question 10

It looks like we are allowed to apply for a COE based on a pending SBIR/STTR. We have a pending SBIR with the NSF for \$150,000 based on this technology. Can we reserve some flexibility in the COE application where if we get the SBIR, we can do a 1:1 match based on the SBIR for \$100,000, and if we do not, then we can request \$50,000 from COE with 1:1 match based on founder cash contributions?

Answer 10

If you are awarded the grant, the money is paid out based on the amount of matching funds that you have, so even if you are awarded the full \$100,000 but only have match for \$50,000, we will only give you \$50,000. However, your contract will be for 1 year so if you are able to secure matching funds from other sources then you may submit an additional invoice for up to the amount of the match.

Question 11

Can you tell me whether the Program follows any policies regarding how this tax information is to be used (e.g. are there limitation on use)?

Answer 11

There is a 5 year deadline for the tax authorization, meaning that if we need tax information for any reason, we have 5 years from the authorization date to get it. Beyond that, we do not have any specific policies regarding how the authorization will be used.

QUESTION 12

Are we required to submit the Executive Summary, Cover Page & Summary Table as separate PDF files, or are we to submit just the Executive Summary by itself and include the Cover Page and Summary Table with the Main Proposal.

ANSWER 12

You are required to submit the Executive Summary, Cover Page & Summary Table as 3 SEPARATE DOCUMENTS (pdf file only); and also include the Executive Summary in the Main Proposal and submit that separately. So, each proposal submission (via Email ONLY) will have 4 separate PDF file attachments as follows:

- 1) Executive Summary
- 2) Cover Page
- 3) Summary Table
- 4) Main Proposal (including Executive Summary)



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